



**Indiana State Board of Accounts  
Extra-Curricular Workshop  
November 3, 2011  
Indianapolis**

# Contact Information

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# Website Resources

- Filed audit and exam reports
- Accounting Uniform Compliance Guidelines Manual for Extra-Curricular Accounts
- The School Administrator and Uniform Compliance Guidelines

# Important Websites

- Indiana Public Access Counselor
  - [www.in.gov/pac](http://www.in.gov/pac)
- Indiana Commission on Public Records
  - [www.in.gov/icpr](http://www.in.gov/icpr)
- Indiana Department of Revenue
  - [www.in.gov/dor](http://www.in.gov/dor)
- Indiana Department of Education
  - [www.in.gov/doe](http://www.in.gov/doe)
- Internal Revenue Service
  - [www.irs.gov](http://www.irs.gov)

# Ryan Preston

Hired June 2001 as a Field Examiner

Worked in Southcentral Indiana – Jackson,  
Washington, Bartholomew, Lawrence Counties

Named Office Supervisor of Schools in August  
2011

# State Board of Accounts

- Created in 1909 in response to widespread political corruption
- Mission Statement
- Responsibilities
  - Perform audit/exams of governmental units
  - Prescribe forms and procedures used by governmental units
  - Various other duties including recounts, providing training for local officials, consulting services, etc.

# State Board of Accounts cont.

## Organizational Flowchart

- SBOA Board (State Examiner, 2 Deputies)
- Office Supervisors (2 per area)
  1. Schools and Townships
  2. Cities/Towns and Special Districts
  3. Counties
- Field Supervisors
  - 17 Districts
- Field Examiners
  - 10 or 11 per district

# Overview of Presentation

1. Requirements of ECA Treasurers
2. Procedures for Preparing Ticket Sale Report (SA-4)
3. Procedures for Issuing and Recording Receipts (SA-3)
4. Procedures for Preparing Purchase Order Accounts Payable Voucher (SA-1) or Claim for Payment (SA-7)
5. Procedures for Preparing ECA Financial Report (SA-5)
6. Public Law Changes
7. Miscellaneous Information
8. Questions and Answers



# Custodian Responsibilities

IC 20-41-1-3 states:

(a) A person who has charge of the collection, custody, and disbursement of funds collected and expended to pay expenses incurred in conducting any athletic, social, or other school function, the cost of which is not paid from public funds, shall:

(1) keep an accurate account of all money was received and expended, showing the:

(A) sources of all receipts;

(B) purposes for which the money was expended; and

(C) balance on hand; and

(2) file a copy of the account with the township trustee, board of school trustees, or board of school commissioners within two (2) weeks after the close of each school year.

(b) An account filed under subsection (a)(2) is a public record open to inspection by any interested person at any reasonable time during office hours.

# Requirement of Treasurer

IC 20-41-1-5 states:

(a) A public school must have a treasurer for the purposes of this chapter. The treasurer must be:

- (1) the superintendent or principal of the particular school;
- (2) a clerk of the school corporation; or
- (3) a member of the faculty appointed by the superintendent or principal.

This designation must be made immediately upon the opening of the school term or the vacating of the office of treasurer. Claims shall be filed and paid under sections 7 and 8 of this chapter. The employing or appointing officials of a school may appoint and engage a school treasurer or clerk.

- (b) A school corporation may appoint one (1) or more assistant or deputy treasurers.
- (c) A treasurer is not personally liable for an act or omission occurring in connection with the performance of the duties set forth in this chapter, unless the act or omission constitute gross negligence or an intentional disregard of the treasurer's duties.

# Treasurer Bonding Requirements

IC 20-41-1-6 states:

- (a) The treasurer shall give a bond in an amount fixed by the superintendent and principal of the school approximating the total amount of the anticipated funds that will come into the possession of the treasurer at any one (1) time during the regular school year. Bonds shall be filed with the trustee or board of school trustees. The surety on the bonds must be a surety company authorized to do business in Indiana. However, the requirement for giving the bond and the requirement to deposit the receipts in a separate bank account, as required in section 9 of this chapter, do not apply to any school for which the funds, as estimated by the principal, will not exceed three hundred dollars (\$300) during a school year.
- (b) The requirements of this chapter may be fulfilled by providing a comprehensive bonding instrument, including a single blanket position bond, for all extracurricular treasurers. A comprehensive bonding instrument is acceptable instead of individual separate personal position bonds.

# ECA Events

- Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged.
- Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained.

# ECA Events cont.

- Tickets for each price group should be different colors and/or different in their series number.
- All tickets (unused tickets and stubs) should be retained for audit.

# Ticket Sales (SA-4)

Book1 [Compatibility Mode] - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Developer

(Form SA-4) Prescribed by State Board of Accounts No \_\_\_\_\_

## TICKET SALES

SCHOOL \_\_\_\_\_ TOWN OR CITY \_\_\_\_\_  
 GAME \_\_\_\_\_ DATE \_\_\_\_\_  
 OTHER \_\_\_\_\_ ACTIVITY \_\_\_\_\_

TICKETS							
KIND	ISSUED		RETURNED		TICKETS SOLD	PRICE	TOTAL AMOUNT SALES
	SERIAL NO.	AMT.	SERIAL NO.	AMT.			
TOTAL							

Made by \_\_\_\_\_ Verified and Approved by \_\_\_\_\_  
 (Title) (Official or Sponsor)

ORIGINAL

Sheet1 Sheet2 Sheet3 Sheet4 **Sheet5** Sheet6

Ready 120%

# Ticket Sales cont.

- Ticket sales conducted by any activity should be accounted for as follows:
- The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned.
- The treasurer should see that proper accounting is made for the cash received from those sold.

# Ticket Sales cont.

- All tickets shall be prenumbered, with a different ticket color and numerical series for each price group.
- When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash.
- All tickets (including free or reduced) must be listed and accounted for on the SA-4 Form.



# Receipts (SA-3)

Book1 [Compatibility Mode] - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Developer

Normal Page Layout Page Break Preview Custom Views Full Screen Workbook Views

Ruler Formula Bar Gridlines Headings Message Bar Show/Hide

Zoom 100% Zoom to Selection

New Window Arrange All Freeze Panes Split Hide Unhide

View Side by Side Synchronous Scrolling Reset Window Position Window

Save Workspace Switch Windows Macros

I35

1 Prescribed by State Board of Accounts Form No. SA-3 (Revised 1997)

2

3

4 **RECEIPT**

5 **SCHOOL EXTRA-CURRICULAR ACCOUNT**

6 \_\_\_\_\_ SCHOOL

7 No. \_\_\_\_\_

8 \_\_\_\_\_, IN \_\_\_\_\_

9

10

11

12

13

14

15

16

17 RECEIVED FROM \_\_\_\_\_ \$ \_\_\_\_\_

18

19 THE SUM OF \_\_\_\_\_ DOLLARS

20

21 FOR DEPOSIT TO THE CREDIT OF \_\_\_\_\_ FUND

22 (Activity)

23 SOURCE \_\_\_\_\_

24

25

26 \_\_\_\_\_ TREASURER

27

28

29

30

31

32

Sheet1 Sheet2 Sheet3

Ready 120%

Payment Type and Amount					
Cash Amount	Check/Draft Amount	MO Amount	Credit Card/ Bank Card Amount	EFT Amount	Other

# Receipts cont.

- The receipt form is to be prenumbered and printed in duplicate, three receipts to the page if bound and five receipts to the page if printed loose-leaf.
- The receipt is to be issued for any and all money received. A separate receipt shall be issued for each amount of money received.

# Receipts cont.

- The receipt, to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt.
- The receipt form must be signed by the treasurer of the extra-curricular account or collecting authority.

# Receipts cont.

- The cash receipts collected by and for the benefit of any activity fund should be in charge of some designated official or sponsor of the activity, until turned over to the treasurer of the extracurricular account.
- Posting to the control account and the activity funds will be made from the duplicate receipts (Register of Receipts)
- IC 20-41-1-9 states in part: “The treasurer shall deposit all receipts in one (1) bank account, and shall be deposited without reasonable delay.”

# Purchase Order and Accounts Payable Voucher (SA-1)

Book1 [Compatibility Mode] - Microsoft Excel

HomeInsertPage LayoutFormulasDataReviewViewDeveloper

FORM NO. SA-1 (Original)

Prescribed by State Board of Accounts

Form SA-1 (Revised 2001)

PURCHASE ORDER

ACCOUNTS PAYABLE VOUCHER

No. \_\_\_\_\_

SCHOOL EXTRA-CURRICULAR ACCOUNT

PAID BY CHECK:

No. \_\_\_\_\_

Date \_\_\_\_\_

DATE \_\_\_\_\_

Purchased From \_\_\_\_\_

Address \_\_\_\_\_

Purchased For \_\_\_\_\_

Deliver To \_\_\_\_\_

Send Invoice To \_\_\_\_\_

TO THE DISBURSING OFFICER:

The following expense is proposed, payable from the \_\_\_\_\_ Fund.

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Quantity	Description	Unit	Price	Total
Total This Order				

Signed: \_\_\_\_\_

Person Authorized to Purchase

I hereby certify that there is an unobligated balance in the applicable fund sufficient to pay the above order.

Date: \_\_\_\_\_

Treasurer

Sheet1Sheet2Sheet3Sheet4Sheet5Sheet6

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# Purchase Order and Accounts Payable Voucher (SA-1) cont.

- The Purchase Order and Accounts Payable Voucher (SA-1) is to be used when a purchase is made for delivery at a later date.
- The form is to be executed in full and signed by the person authorized to purchase for the particular activity concerned.
- Before the activity is permitted to use the SA-1, the ECA treasurer must determine if there is sufficient balance in the fund to make payment upon receipt of the merchandise.



# Purchase Order and Accounts Payable Voucher (SA-1) cont.

- The receiving copy must be completed when the merchandise is received.
- The person that takes responsibility of the shipped merchandise are to review the items and complete the receiving portion of the SA-1.
- Then they sign the Receiving Copy taking responsibility that the invoices/bills are correct and all items were ordered and received.



# Purchase Order and Accounts Payable Voucher (SA-1) cont.

Book1 [Compatibility Mode] - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Developer

FORM NO. SA-1 (Triplicate) Form SA-1 (Revised 2001)

Prescribed by State Board of Accounts

**PURCHASE ORDER  
ACCOUNTS PAYABLE VOUCHER**  
(File Copy)

No. \_\_\_\_\_

**SCHOOL EXTRA-CURRICULAR ACCOUNT**

PAID BY CHECK: \_\_\_\_\_ DATE \_\_\_\_\_  
No. \_\_\_\_\_ Date \_\_\_\_\_

Purchased From \_\_\_\_\_  
Address \_\_\_\_\_  
Purchased For \_\_\_\_\_  
Deliver To \_\_\_\_\_  
Send Invoice To \_\_\_\_\_

TO THE DISBURSING OFFICER:

The following expense is proposed, payable from the \_\_\_\_\_ Fund.

No payment is to be made for this order until the SA-1 Form is properly filed and the items have been received.

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Quantity	Description	Unit	Price	Total
Total This Order				

Signed: \_\_\_\_\_  
Person Authorized to Purchase

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received except \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
Signature

I hereby certify that there is an unobligated balance in the applicable fund sufficient to pay the above order.

Date: \_\_\_\_\_

\_\_\_\_\_  
Treasurer

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6.

Date: \_\_\_\_\_

\_\_\_\_\_  
Treasurer

Sheet1 Sheet2 Sheet3 Sheet4 Sheet5 Sheet6

Ready 100%

# Purchase Order and Accounts Payable Voucher (SA-1) cont.

- The File Copy of the SA-1 is to reviewed by the ECA Treasurer.
- They attach the supporting documentation (bills, invoices, etc.)
- The ECA Treasurer signs that they have reviewed the invoice/bill is true and correct and they have audited it per IC 5-11-10-1.6.

# Claim for Payment (SA-7)

Book1 [Compatibility Mode] - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Developer

Prescribed by State Board of Accounts Form SA-7 (Revised 2001)

## CLAIM FOR PAYMENT

No. \_\_\_\_\_

### SCHOOL EXTRA-CURRICULAR ACCOUNT

PAID BY CHECK: \_\_\_\_\_ DATE \_\_\_\_\_

No. \_\_\_\_\_ Date \_\_\_\_\_

Purchased From \_\_\_\_\_

Address \_\_\_\_\_

Purchased For \_\_\_\_\_

Delivered To \_\_\_\_\_

Invoice Handed To \_\_\_\_\_

TO THE DISBURSING OFFICER:

The following expense is proposed, payable from the \_\_\_\_\_ Fund.

No payment is to be made for this order until the SA-7 Form is properly filed and the items have been received.

An invoice or bill to be properly itemized must show: kind of service, where performed, dates service rendered, by whom, rates per day, number of hours, rate per hour, number of units, price per unit, etc.

Quantity	Description	Unit	Price	Total
				\$
Total This Order				\$

Approved for Payment \_\_\_\_\_

Signature

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and that the materials or services itemized thereon for which charge is made were ordered and received except \_\_\_\_\_

Date \_\_\_\_\_ Signed: \_\_\_\_\_

Signature

I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6.

Date \_\_\_\_\_

Treasurer

Sheet1 Sheet2 Sheet3 **Sheet4** Sheet5 Sheet6

Ready 100%

# Claim for Payment (SA-7) cont.

- The Claim for Payment (SA-7) shall be used for claiming payment by anyone in situations where purchase orders are not used; for example, purchases from delivery salesmen, services of officials at athletic events, etc.
- Signatures are required by the person authorized to purchase and the person acknowledging the receipt of the good or services. Additionally, the extra-curricular treasurer is to sign the required certification on the form SA-7.

# Financial Report of ECAs (SA 5-1)

FINANCIAL REPORT  
SCHOOL EXTRA-CURRICULAR ACCOUNT

School \_\_\_\_\_

SCHEDULE OF BALANCES  
RECEIPTS AND EXPENDITURES OF  
SCHOOL EXTRA-CURRICULAR ACCOUNT

From \_\_\_\_\_ To \_\_\_\_\_

NAME OF FUND	BALANCE BEGINNING OF PERIOD 1	RECEIPTS DURING PERIOD 2	EXPENDITURES 3	BALANCE END OF PERIOD 4
	\$	\$	\$	\$
TOTAL ALL FUNDS	\$	\$	\$	\$

# Financial Report of ECAs (SA 5-1) cont.

- The Financial Report of School Extra-Curricular Accounts (SA 5-1) should begin with the close of the last report and cover the school year.
- One copy shall be filed in the school business office, a copy shall be filed with the school board and the third copy shall be filed with the superintendent of schools.
- The report and its supporting documentation (bank statements, checks, receipts, etc.) is to be filed as an official record and must be preserved for a period of five years.

# Financial Report of ECAs (SA 5-1) cont.

- Each ECA fund is to be listed separately.
- The beginning balance (normally July 1<sup>st</sup>) is to be recorded in column 1.
- The total receipts for the period are to be recorded in column 2.
- The total disbursements for the period are to be recorded in column 3.
- The ending balance (normally June 30<sup>th</sup>) is to be recorded in column 4.

# Cash Reconcilement (SA-5-2)

**CASH RECONCILEMENT**

---

LOCATION		
DEPOSITORY BALANCE		\$
CASH ON HAND (ADD)		
TOTAL CASH ON HAND AND IN DEPOSITORY		\$
TOTAL OF OUTSTANDING CHECKS (DEDUCT)		\$
BALANCE		

  

**OUTSTANDING CHECKS**

---

DATE	NUMBER	AMOUNT	DATE	NUMBER	AMOUNT
		\$	BROUGHT FORWARD		\$
CARRIED FORWARD		\$	TOTAL		\$



## Cash Reconcilement (SA-5-2) cont.

- The name of the bank and balance should be listed according to the statement; also all outstanding checks should be listed, showing the date, check number and amount.
- When the total of the outstanding checks is deducted from the balance as shown on the bank statement, the remainder (plus cash on hand, if any) should equal the record balance as shown in the control account and as the total of column 4 in the Form SA 5-1 report.

# Detail of Receipts and Expenditures by Fund (SA-5-3)

Book1 [Compatibility Mode] - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Developer

DETAIL OF RECEIPTS AND EXPENDITURES  
BY FUNDS

\_\_\_\_\_ FUND

RECEIPTS

SOURCE OF RECEIPTS	NATURE OF RECEIPTS	AMOUNT
		\$
TOTAL RECEIPTS		\$

NOTE: TOTAL RECEIPTS MUST AGREE WITH RECEIPTS OF THIS FUND AS SHOWN IN COLUMN 2,  
PAGE 1.

EXPENDITURE

PURPOSE OF EXPENDITURE	AMOUNT
	\$
TOTAL EXPENDITURES	\$

# Detail of Receipts and Expenditures by Fund (SA-5-3) cont.

- The Detail of Receipts and Expenditures by Fund (SA-5-3) must be used to prepare a detail of each activity fund reported in Form SA-5-1.
- Receipts are to be grouped according to their source and nature. For example athletic fund receipts may be grouped as game receipts, season tickets, I.H.S.A.A. distributions, etc.
- Expenditures are to be grouped according to their purposes. For example dues, officials, transportation, meals, equipment, etc.

# Report Certificate (SA-5-4)

Book1 [Compatibility Mode] - Microsoft Excel

Home Insert Page Layout Formulas Data Review View Developer

Prescribed by State Board of Accounts Form SA5-4

The bank in which all moneys of this account are deposited is:

\_\_\_\_\_  
Name of Bank

\_\_\_\_\_  
Location of Bank

Date school officially closed \_\_\_\_\_.

**BOND OF SCHOOL TREASURER**

Name of Surety \_\_\_\_\_  
Amount of Bond \$ \_\_\_\_\_  
Date of Expiration \_\_\_\_\_.

**CERTIFICATE OF SCHOOL TREASURER/PRINCIPAL**

I, \_\_\_\_\_, Treasurer, \_\_\_\_\_,  
Principal, of the \_\_\_\_\_ School Extra-Curricular  
Account, hereby certify that the foregoing report of the said account is true and correct to the best  
of my knowledge and belief. I further certify that copies of this report have been filed with the  
officers designated by law to receive copies of said report.

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Principal

**COPIES TO BE FILED AS FOLLOWS:**

Township School: 1 copy to Township Trustee  
1 copy to County Superintendent

School Corporation: 1 copy to Board of School Trustees or Board  
of School Commissioners  
1 copy to Superintendent of Schools

Sheet1 Sheet2 Sheet3 Sheet4 Sheet5 Sheet6 Sheet7 Sheet8 Sheet9 Sheet10

Ready 100%

# Report Certificate (SA-5-4) cont.

- The Report Certificate (SA-5-4) includes vital information, such as the name and location of the bank, date of closing school, and the official bond of the treasurer of the extra-curricular account.
- The Report Certificate (SA-5-4) also includes the certificate of the treasurer and principal of the school extra-curricular account.

# Prescribed Forms

## ➤ Chapter 7 of the School Corporations Manual states:

“The State Board of Accounts is charged by law with the responsibility of prescribing and installing a system of accounting and reporting which shall be uniform for every public office and every public account of the same class. [IC 5-11-1-2]

A prescribed form is one which is put into general use for all offices of the same class, whereas an approved form is a computerized form for special use in a particular office.

All governmental units are required by law to use the forms prescribed by the State Board of Accounts; however, if desirable to have a prescribed form modified to conform for computer applications, a letter and copies of the proposed form may be submitted to the State Board of Accounts for approval. No form should be printed and placed into use, other than a prescribed form, without prior approval.

# Prescribed Form cont.

## ➤ Chapter 7 continued:

Although the State Board of Accounts prescribes forms, copies of the forms must be purchased from a public printer or other source.

A list of the prescribed forms and some examples of the prescribed forms are contained in the Appendix Section of this Manual.”

## ➤ Use of Prescribed Forms

“Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed.”



# Prescribed Form cont.

- Chapter 7 continued:

## Exact Replica

“As a result of advances in computer technology, some computer hardware, software, and application systems can now produce exact replicas of the forms prescribed by the State Board of Accounts.

The State Board of Accounts prescribes the required accounting system forms, but does not specify the source from which the forms must be obtained. Therefore, the State Board of Accounts will not take exception to the use of forms which provide exact replications of the prescribed forms created by computer printer or utilizing continuous form computer paper. These exact replications must be identical to the prescribed forms in format, titles and locations of data. The exact replicas are not required to be submitted to the State Board of Accounts for approval and each form should be identified as "Prescribed by the State Board of Accounts" in the same location as is printed on the prescribed forms.

The use of computer-generated prescribed forms should be brought to the attention of the Field Examiner during the next regularly scheduled audit. The forms and computer system generating the forms are subject to a technical computer audit based upon the results of the Field Examiner's risk assessment.”



# Forms Approval

- Volume 189 of the School Administrator from March of 2010 states:

“The use of computerized systems provide for an easier process of electronic submission and approval. Accordingly, please submit all future form approval requests electronically by e-mail for consideration. You should include the request on letterhead which shows the name of the school corporation or school, address, treasurer or business official's name submitting, etc., along with the forms requested for approval. The school or school corporation submitting the request will receive a reply by e-mail.

Please send all electronic form approval requests to [baanderson@sboa.in.gov](mailto:baanderson@sboa.in.gov). Please ensure the email subject line reads exactly **Form Approval 2010 (make sure you only use one space between form and approval and 2010)**.

Forms approval requests not submitted electronically, will also receive an e-mail reply.

Any school or school corporation desiring to receive a stamped hardcopy form approval (whether submitting the form approval request electronically or by mail) may receive a stamped hard copy by return mail by providing a self-addressed stamped envelope with your request.”

# Tammy Baker

- Hired as a Field Examiner in August of 1992
- Has worked in Rush, Shelby, Hancock, Henry, Fayette, Franklin, Decatur, Union, Madison, & Marion Counties
- Has been the Supervisor on Non-Governmental Entities for the past 5 years
- Named Office Supervisor of Schools in June 2011

# Public Law Changes

- Senate Enrolled Act 205 and House Enrolled Act 1297— effective May 5, 2011
- Amends IC 5-13-9-8; IC 5-13-9.5-1; and IC 5-13-11-3
- Provides that a service charge to be paid by a political subdivision to a public depository in which the political subdivision's funds are deposited may be paid from interest earned on the funds in the political subdivision's account with the public depository.

# Public Law Changes cont.

- Senate Enrolled Act 217 – Effective July 1, 2011
- Amends IC 35-44-1-2
- Official misconduct. Specifies that a public servant commits official misconduct if the public servant knowingly or intentionally commits a crime in the performance of the public servant's official duties.

# Public Law Changes cont.

- Senate Enrolled Act 464 – Effective July 1, 2011
- Amended IC 5-13-4-2; IC 5-13-4-3; IC 5-13-4-4  
Added IC 5-13-4-21.3; Repealed IC 4-13-2-21
- Depository rule. Defines "public servant", and substitutes "public servants" for "public officers" with respect to certain duties and obligations concerning public funds. Makes knowingly or intentionally failing to properly deposit public funds a Class A misdemeanor, and increases the penalty to a Class D felony if the amount involved is at least \$750 and to a Class C felony if the amount involved is at least \$50,000. (The offense is currently a Class B felony.) Repeals a conflicting provision.

# Public Law Changes cont.

- House Enrolled Act 1429 – Effective July 1, 2011
- Added or Amended sections of Indiana Code in Titles and Chapters: 4-13, 20-18, 20-19, 20-20, 20-25, 20-26, 20-30, 20-31, 20-32, and 20-33
- Repealed IC 20-19-2-1; IC 20-19-2-3; IC 20-19-2-4; IC 20-19-2-9; IC 20-20-5; IC 20-26-12-27; and IC 20-26-12-28

# Public Law Changes cont.

- House Act 1429 continued -
- Textbooks and other curricular material. Expands the definition of "textbook" to include certain hardware, software, and digital content. Adds a definition of "curricular materials". Removes the authority of the state board of education to adopt a list of approved textbooks, and requires the governing body of each school corporation to adopt textbooks for the school corporation. Requires the department of education to review curricular materials, evaluate the curricular materials alignment to state academic standards, and publish the reviews, which governing bodies may use in making textbook adoption decisions. Repeals references to the state textbook advisory committee and the state board adoption of textbooks, and makes corresponding changes to related sections.



# Unauthorized ACH Withdrawals

- The State Board of Accounts has recently received information from various forms of local government entities that they have had unauthorized ACH withdrawals from their bank account.
- Please take extra time to review your banking transactions to ensure you have not incurred a loss. We would also like for you to contact the banks you are using and ensure that you and they fully understand the necessary procedures to take place prior to an ACH withdrawal from your bank account.
- If you have had any instance of unauthorized ACH transactions within the past two years, please send the following information to the appropriate office supervisor here at the Board of Accounts.
  1. Date of unauthorized ACH transaction.
  2. Amount of unauthorized ACH transaction.
  3. Bank that your account is with that the ACH transaction was taken from.
  4. Any resolution you may or may not have had pertaining to each particular unauthorized transaction.
- REMINDER: ECA Treasurers are required to report theft immediately to the State Board of Accounts.



Form Prescribed by State Board of Accounts

School Form No. TBR-2 (Rev. 1997)

## OFFICIAL RECEIPTS - INDIVIDUAL TEXTBOOK RENTAL LIST

\_\_\_\_\_ SCHOOL, \_\_\_\_\_, INDIANA  
 Receipt \_\_\_\_\_ 0001

\_\_\_\_\_ Date \_\_\_\_\_ Name of Student \_\_\_\_\_ Grade \_\_\_\_\_

Payment Type and Amount					
Cash Amount	Check/Draft Amount	MO Amount	Credit Card/ Bank Card Amount	EFT Amount	Other

Quantity	Description - Name - Series - Code	Unit Price	Total Rental Fee	For Use of Issuing Officer
Total Received		\$	\$	

### NOTE TO STUDENTS AND PARENTS:

Care should be exercised in the use of rented textbooks in order that all books may be returned at the close of the school term in useable condition. For each textbook lost or returned damaged beyond use, an additional charge may be made as determined by school officials. Items available for classroom use not issued to students shall also be listed. If the volume of transactions for grades with a fixed list of books and materials is great enough to demand it, a copy of the printed list may be attached to the TBR-2 form and the form processed with a reference to such attached list instead of further itemization.

\_\_\_\_\_ Issuing Officer

# TBR-2

- Form TBR-2, Official Receipt - Individual Textbook Rental List provides for the date the textbooks were issued, the name of the student and the total fee collected.
- The completed form shall be signed by the issuing officer who could be the treasurer of the extra-curricular account or someone designated by the treasurer to issue the textbooks and collect the rental fees.

## TBR-2 cont.

- The duplicate, together with rental fees collected, must be transmitted daily to the treasurer of the extra-curricular account.
- All duplicates of Form TBR-2 shall be filed alphabetically, by student last names, in the office of the treasurer for audit purposes. A separate TBR-2 should be issued for each payment.

## TBR-2 cont.

- The original copy of Form TBR-2 shall be given to the student if the student pays the fee, which copy serves as a receipt for the rental fees collected from the student. When book lists are used in lieu of itemization on the form, a copy of the appropriate list shall be attached to the student's copy and one copy shall be retained for audit. A TBR-2 should be issued each time a payment is received. TBR-2 forms should not be issued prior to payments being made by parents or students.

## TBR-2 cont.

- When issuing officers other than the treasurer are designated to issue books and collect rental fees, the treasurer shall issue an official receipt to the issuing officer each time the issuing officer transmits the money or submits a certified deposit slip, to cover such fees, to said treasurer. All disbursements for textbook rental purposes shall be made by check drawn by the treasurer of the extra-curricular account.

# Fees

- ECA Manual Chapter 6 states:
- “Extra curricular activities are defined as athletic, social or other school functions, the cost of which is not paid from public funds. These activities do not include functions conducted solely by any organization of parents and/or teachers (IC 20-41-1-7). Note that this statutory definition does not include any curricular or educational functions. All educational functions are the specific responsibility of the governing body (board of school trustees, etc.) of the school corporation acting on its behalf (IC 20-26-5-4), including providing the facilities and equipment therefore. All monies received for educational purposes, including those related to educational programs or facilities must be receipted to school corporation funds.”

# Fees cont.

- ECA Manual Chapter 6 states:
- “The following items erroneously appear in funds of the extra curricular account. Accounting for them should be in the general fund of the school corporation. Examples are:
- Adult Education Fees, Rent of School Facilities, Art Fees, Special Education, Driver Education Fees, Equipment Sale or Rental, Summer School Fees, Facilities Rental, Supplies, Grants (State, Federal and Other), Kindergarten Fees, Library Fines and Fees, Typing Fees Locker Fees, Vocational Education Fees, and Night School Fees”

# Fees cont.

- ECA Manual Chapter 6 states:
- All authorized educational fees (the School Board should be able to justify any educational fees (non-payroll positions) and ensure Constitutional problems do not exist) must be receipted to the General Fund of the school corporation and included as miscellaneous revenues when preparing the school corporation budget.
- Any dues collected for the support of classes or social organizations shall be receipted to the extra-curricular fund for that organization to support the activities.



# Non-Session School Activities- Camps

- Examples: Athletic Camps, Cheerleading Camps, Band Camps, Summer Weightlifting, etc.
- According to IC 20-30-15-6: “(a) When public schools are not in session, a governing body may employ personnel to supervise the following: (1) Agricultural education club work. (2) Industrial education club. (3) Home economics education club work. (4) Music activities. (5) Athletics. (b) Activities described in subsection (a) **must be open and free to all individuals of school age residing in the attendance unit of the school corporation** that is paying all or part of the cost of the activity.

# Non-Session School Activities- Camps cont.

- Any camps that charge a fee would be considered to be hosted by a Booster Club or Outside Organization
- Therefore, accounting for the receipts and disbursements should not be recorded in the Extra-Curricular Accounts.
- We have seen individual coaches “donate” proceeds from summer camps to their subaccount in the Athletic Fund, but would not be required.

# Booster Groups

- IC 20-41-1-7 states in part: "The treasurer has charge of the custody and disbursement of any funds . . . incurred in conducting any athletic, social, or other school function (other than functions conducted solely by any organization of parents and teachers) . . ."
- Therefore, activities and organizations which are not extra-curricular in nature should be responsible for their own accounting and cash handling systems.
- The extra-curricular account should not collect, receipt, remit, or disburse outside organization's monies.

# Fundraisers

- ECA Manual Chapter 7 states “Governmental units which conduct fund raising events should have the express permission of the governing body for conducting the fund raiser as well as procedures in place concerning the internal controls and the responsibility of employees or officials.”
- School Board would also need to approve/accept donations to be received.

# Sales tax on purchases

- Indiana Dept. of Revenue Bulletin #32 states:
- “School organizations that are under the parental control of the school corporation and whose funds are accounted for through the extra curricular activities account may use the exemption number of the school corporation to make qualified purchases exempt from sales tax. Such purchases may be made only where payment is made by an extra curricular activities check, and the property purchased is to be used by the organization for purposes other than in connection with social activities.”

# Sales tax on purchases cont.

- Indiana Dept. of Revenue Bulletin #32 states:
- “School organizations may not make purchases exempt from sales tax when such purchases are for the personal ownership or use of individual members of the organization, or if such purchases will be used in connection with social activities of the organization such as parties, dances, picnics, etc. conducted by such organizations.”

# Sales tax on purchases cont.

- Indiana Dept. of Revenue Bulletin #32 states:
- “Tangible personal property purchased by teachers for use in their classrooms are subject to sales/use tax. This is true even though the teacher may use the funds allotted to teachers to purchase classroom supplies. In order to be exempt from sales tax the purchase must be invoiced directly to the school corporation and paid with a school check.”



# Sales Tax on Travel Expenses

- IC 20-26-5-4(9) states: “ (9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to reimburse the employee or the member the employee's or member's reasonable lodging and meal expenses and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.



# Sales Tax on Travel Expenses

- **School Manual Ch. 9 pg. 3; ECA Manual Ch. 7 pg 3 state:**  
“Lodging for individuals in hotels and motels is not exempt from state sales tax. Therefore, reimbursements for lodging in approved travel status may include state sales tax. However, it should be kept in mind that claims for all such reimbursements must be supported by a fully itemized receipt showing date(s) of lodging, the name(s) of the person(s) occupying the room and the amount paid.”
- Since the IC code permits the School Corporation to reimburse for lodging, meals, and necessary transportation expenses and the IDOR Tax Bulletins state that those types of expenses are not tax exempt, then the School Corporation may reimburse the full amount of the expenses including any sales tax that was paid.

# Cash Change Fund

- ECA Manual Chapter 6 states:
- A Cash Change Fund may be established in any school corporation with the approval of the governing body (board of school trustees), where any officer or employee of the corporation is charged with the duty of collecting fees or other cash revenues. When authorized by the governing body, such Cash Change Fund shall be established by a check drawn on the General Fund (or other appropriate fund) of the school corporation in an amount to be determined by the governing body. The check is drawn in favor of the officer or employee who has been designated as custodian of the Cash Change Fund.

# Cash Change Fund cont.

- The custodian shall convert same to cash and be held responsible for the safekeeping of such cash and the proper accounting thereof in the same manner as required for other funds of the school corporation. The governing board shall have authority to increase or decrease such fund and shall require the entire Cash Change Fund to be returned to the General Fund if and when it is no longer needed for the purpose established or when a change is made in the custodian of the fund [IC 36-1-8-2].
- IC 36-1-8-2 is particularly applicable in school corporations where either a Textbook Rental Fund or School Lunch Fund, or both, are maintained as extra-curricular funds. If a Cash Change Fund is authorized and a check is drawn on the appropriate fund, the check will be recorded as a disbursement in the fund.

# School Food Verifications of Eligibility

- Eligibility Guidance Manual and verification instructions can be found on the DOE website at [www.doe.in.gov/food/schoolnutrition](http://www.doe.in.gov/food/schoolnutrition)
- Officials should request a written position from the Indiana Department of Education stating whether the corrective action taken was sufficient or if additional verifications need to be performed when high incidences of errors in test sample verifications are noted.

# Questions and Answers

- Is it recommended that we pay the workers for 2011 in 2011 and then the balance of the winter work from 2012 in 2012, or is it OK to pay the winter 2011-12 sports payroll in 2012 at the end of the season.
  - *Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee.*
  - *Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. You may want to contact the Department of Revenue or IRS.*

# Questions and Answers

- My predecessor kept a steno notebook listing all deposit information, as well as the receipt edit from Komputrol. Is the steno necessary? It is an exact duplicate of the receipt edit I print after entering the receipts. Do I need to print/keep both the voucher edit listing and check register, or do I just need the check register? I double-check my vouchers with the edit listing; I don't see why it is necessary to keep both copies of basically the same thing.
  - *The prescribed forms listed in the ECA Manual must be maintained. All other forms may be maintained at your discretion or by policy of the School Corporation.*

# Questions and Answers

- I am very interested in electronic storage of documentation.
  - *Any documents that are stored electronically must be able to be retrieved for audit and retained in accordance with the retention schedule.*



# Questions and Answers

- Can an extra-curricular sponsor donate their funds to another non-profit organization? Like American Cancer Society? Does this need to be approved through the Board first?
  - *Governmental units which conduct fund raising events should have the express permission of the governing body for conducting the fund raiser as well as procedures in place concerning the internal controls and the responsibility of employees or officials.”*
  - *IC 20-41-1-4 provides that no money shall be transferred from the fund of any organization, class or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor and treasurer of the organization, class or activity; except that in the case of athletic funds, approval of the transfer shall be made by the athletic director, principal and treasurer.*



# Questions and Answers

- Can we charge students for padlocks? Our Middle school now has Mac-books and we need to get padlocks for their lockers. Can we pass that charge on to the student?
  - Lock fees may be charged to the student and any receipts would need to be turned over to the corporation treasurer.

# Questions and Answers

- I would like them to go over how to charge for laptop computers.
- *See IDOE memo from May 12, 2009.*
- *IDOE memo from January 7, 2011 provides guidance for making volume purchases of “apps” from Apple.*

# Questions and Answers

- I would like to know what the exact regulations are about sporting event concessions inventories. We have been told that everything in our concession stand must be inventoried before and after each event, but no other schools that I've talked to have heard anything about this. We have had no problems with our concessions and no issues brought up at audits and I can't find anything in the SBOA books that I have.
  - *There are no required steps concerning concessions. However, internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconciliation should provide an accurate accounting. Persons with access to vending should be properly designated and access should be limited to those designated.*

# Questions and Answers

- If a student has a credit of less than a dollar should we write a check back to them or can it ever be wrote off and not sent to them? Or on the other hand if a student owes less than a \$1.00 can this be wrote off? Is there ever a dollar amount set on which we could write off the amount and not refund or send a letter out telling them they owe?
- *We have not taken exception with a School Board approved policy regarding inactive accounts. The policy should define when an account balance is considered inactive. A policy may allow positive account balances to be receipted back into the Fund (we recommend account balances of \$10 or less.) However, keep in mind that if a parent or anyone else comes forward and makes a request (and could document entitlement), then they would be entitled to a refund.*
- *A school should have a policy in place that does not allow significant negative account balances to incur. The School Board approved policy could allow nominal negative account balances to be offset against the positive balances in the Fund. However, any material negative balances should be pursued for collection.*

# Questions and Answers

- What are proper procedures for if one sibling owes money and the other sibling has a credit. How do we do the proper paperwork for auditors to make this transfer of money?
  - *This should be included in the Board approved write off policy. Documentation should be retained that shows the transfer of the funds and the reason for the transfer.*

# Questions and Answers

- Is there a list of what exactly the auditors would like to see at an audit and be specific. All of our school and corporation treasurers are new this year and were not really trained more than 3 days each. So none of us has been around for an audit. We just want to be prepared and know what to expect.

- *At a minimum, the auditors will need the following records:*

*Annual Financial Report*

*Ledger*

*Receipts*

*Cancelled checks*

*Purchase orders*

*Claims*

*Ticket Sale Reconcilements*

*Bank statements*

*Supporting documentation (bills, contracts, etc.)*

- *Additionally, if Textbook Rental and School Lunch are accounted for in the ECA records, those records will need to be available.*



# Questions and Answers

- Please talk about book fees and what should be required of a high school treasurer. Each of our schools collect money at registration for all the schools.(only at registration) So our book rental books have MS, HS, and Elem payments in them plus this last year our technology dept made us collect their fines and fees on our textbook rental book at registration. Eventually we write a check to the corporation and give this book rental money to them. Collecting the technology fine was told to us about 5 minutes before registration started so none of us were prepared to do this and did not know the rules about this kind of thing. If a list of directions could be given to us and rules that would be great. Also talk about refunding to parents if they over paid.
  - *The technology fines should be receipted using the General Receipt form and remitted to the School Corporation.*
  - *Persons, companies or governmental units that have overpaid amounts to a governmental unit are entitled to a repayment or refund by check or warrant.*

# Questions and Answers

- Talk about tax if any can be refunded through our ECA account. I know we can refund hotel tax but no other tax? Correct?
- Can sales tax be paid when reimbursing PTO, teachers, parents, etc.?
  - *Sales tax should only be paid on reimbursements for lodging or meals.*



# Questions and Answers

- We also have mixed messages about writing a check to a staff member to reimburse them for something they purchased for their classroom if it is for the students. Some treasurers say yes this is acceptable practice and others are saying no. My predecessor who trained me for 3 days said it is fine and we have done it for years.
- Can teachers be reimbursed for supplies/items that they purchase personally, from an ECA account?
  - *There may be times when reimbursements will need to be made to teachers, or staff members , but this should not be a common practice. This circumvents the normal claims process.*

# Questions and Answers

- Do receipts need to be numerical by receipt or by date?
  - Filing is at the discretion of the unit. However, receipts should be prenumbered and issued in numerical order.

# Questions and Answers

- Could someone address the process for getting permission to destroy old records.....is it just according to age of all old documents, or are some allowed to be destroyed and others not?
  - *The governing board is charged with the duty to preserve, keep, maintain, or file all the official records of the political subdivision pursuant to IC 5-15-1-1. The final decision as to the destruction or disposition of such records rests with the local public records commission. A local public records commission is established in each county pursuant to IC 5-15-6-1.*
  - *The State Commission on Public Records has published a pamphlet entitled "Guide for Preservation and Destruction of Local Public Records" and "Care Of Indiana Public School Records: A Record Creator's Guide" which includes retention schedules for ECA Accounts.*

# Questions and Answers

- Can our Form ST 105-General Sales Tax Exempt Certificate be used for extracurricular needs?
  - *School organizations that are under the parental control of the school corporation and whose funds are accounted for through the extra curricular activities account may use the exemption number of the school corporation to make qualified purchases exempt from sales tax. Such purchases may be made only where payment is made by an extra curricular activities check, and the property purchased is to be used by the organization for purposes other than in connection with social activities.*

# Questions and Answers

- If a sponsor of a class wants me hold funds in my vault, is this allowed? If so for what period of time?
  - *Holding funds in the vault would be a school policy. However, funds should be remitted timely to the ECA treasurer so that they may be deposited without unreasonable delay.*

# Questions and Answers

- Can a fund no longer being used have its funds transferred to another fund? i.e. Dance Team, Computer Club?
  - *IC 20-41-1-4 provides that no money shall be transferred from the fund of any organization, class or activity except by a majority vote of its members, if any, and by the approval of the principal, sponsor and treasurer of the organization, class or activity; except that in the case of athletic funds, approval of the transfer shall be made by the athletic director, principal and treasurer.*

# Questions and Answers

- We have a business class that is printing t-shirts and selling them as part of their curriculum. Do they need to collect sales tax since it will be a continuing process that will last the school year? Does the income and expenses need to go through the corporation books since it is part of the class curriculum or can it be deposited in the ECA funds? They will be making a profit and are hoping to purchase equipment with the profits.
  - *See Sales Tax Information Bulletins #4, #10, and #32. You may also want to contact the Legal Department of Department of Revenue for an official opinion.*
  - *All monies received for educational purposes, including those related to educational programs or facilities must be receipted to school corporation funds.*



# Questions and Answers

- Can we separate the money in the athletic account that is for concessions that the parents take care of separately? It would be easier on me because I have to keep an excel sheet and it's easy to forget to add checks/receipts or can the money in the Athletic acct be separated into distinct separate accts?
  - *We would not take exception if your accounting system allows subaccounts in the Athletic Fund .*



# Questions and Answers

- Some of my questions are what is the correct procedure on handling W9's. Could you go over this procedure?
  - *Please contact the Department of Revenue or IRS concerning W-9s.*

# Questions and Answers

- When you are tax exempt and don't pay tax can you pay tax for overnight expenses. Some hotels allow tax exempt some do not. What is the correct procedure?
  - *Since the IC code permits the School Corporation to reimburse for lodging, meals, and necessary transportation expenses and the IDOR Tax Bulletins state that those types of expenses are not tax exempt, then the School Corporation may reimburse the full amount of the expenses including any sales tax that was paid.*

# Questions and Answers

- Can I use money out of my "Student Activities" account to pay for such things as Spell Bowl activities, gift certificates for parent helpers during testing times, special events where we need extra supervision, etc. ?
  - *Our audit position has been that the expenditures of a Student Activity Fund benefit the student body as a whole (as opposed to a select group of students, school employees or administrators). Examples of appropriate expenditures in the past would be convocations, field trips which the entire student body has the opportunity to take during the course of the school year, etc.*

# Questions and Answers

- If I get a donation from a local group (church, sorority, etc) for school supplies, it is better to put it in my "Donation" account or to put it in my "Guidance" account since it is the guidance counselors who determine how to spend it and what students to spend it on?
  - *Cash donations that are extra-curricular in nature may be accounted for in the Extra-Curricular Account. The acceptance of these donations shall have prior approval by the Board of School Trustees.*

# Questions and Answers

- If I receive "grant money" for our outdoor lab, does this money need to be held at our Central Office in their account or can I place it in my donation account?
  - *All grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund.*

# Questions and Answers

- I would like to know information about paying for online purchases. Sometimes they don't have invoices.
  - *Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee.*

# Questions and Answers

- I have been told I need to have a zero balance in certain accounts when I do my year-end report. I have problems with this at times. If I zero out the account, what do I do if a check from that account returns NSF?
  - *The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit.*



# Questions and Answers

- What is considered making deposits “in a timely manner”? If receipts need to be held for a particular reason, should a note of explanation be attached to the deposit ticket for audit?
  - *The treasurer shall deposit without unreasonable delay. Unreasonable delay is a matter of auditor judgment. Generally, unreasonable delay is considered to be within 7 days. However, at the beginning of the school year when large amounts of money are collected, we would expect to see more frequent deposits.*